CITY OF ELGIN, OREGON

RESOLUTION 1108 (2001)

A RESOLUTION OF THE CITY COUNCIL
AUTHORIZING THE SALE OF LOT 8, ELGIN INDUSTRIAL PARK

WHEREAS: The City of Elgin, has reached an agreement with Jeff Smith, dba Omnicut for the sale of Lot 8 of the Elgin Industrial Park

NOW THEREFORE BE IT RESOLVED:

That the City Council of the City of Elgin hereby authorizes the Mayor to sign a sales agreement for the Sale of Lot 8 of the Elgin Industrial park to Jeff Smith, dba Omnicut. The amount and terms of the sale to be as stated in the Sales Agreement; full copy of the text is attached hereto.

The Mayor is further authorized to sign the other closing documents required to complete this sale.

PASSED AND ADOPTED this 18th day of July, 2001
With _ Ayes, _ Nays, _ Abstentions, _ Absent.

Signed;

Berta Churchill, Mayor

Attest;

7-18-2001

Joe Garlitz, Recorder/Administrator

SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

DATE : __JULY 18 2001____

PARTIES: City of Elgin, Seller
Jeff Smith; dba Omnicut, Buyer

RECITAL:

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, four and four hundredths (4.04) acres in the Elgin Industrial Park, Located with the City of Elgin Oregon. The legal description of said four and four hundredths (4.04) acre parcel is described as Lot 8, of the Elgin Industrial Park, according to the recorded subdivision in Union County, Oregon.

AGREEMENT :

1. Sale and Purchase Agreement. Buyer agrees to purchase the property from Seller, and Seller agrees to sell the Property to Buyer for the sum of ten thousand ($10,000.00) dollars per acre for a total of forty thousand ($40,000.00) dollars.

2. Earnest money. Seller hereby acknowledges receipt of five hundred ($500.00) paid by Buyer as earnest money, ($125.00 per acre), for purchase of the Property.

3. Payment of Purchase Price. The purchase price shall be paid as follows:

3.1 At closing, the earnest money shall be credited to the purchase price.

3.2 A credit of nine thousand eight hundred seventy five ($9,875) dollars shall be given to the Buyer by the Seller for every four (4) jobs (three of which shall pay a minimum of $11.30/ hr or equivalent salary) created within the two years of the closing date of this agreement.

3.3 If after the credits allowed in 3.2 above, there remains an outstanding balance due on the purchase price of the Property on the second anniversary of the close of this agreement, the remaining balance shall be paid by the Buyer to the Seller as defined in paragraph 17 below.

3.4 In the event that the Buyer has not qualified for all possible job credits, defined above, but can show to the satisfaction of the City Council that the Buyer is progressing toward the creation of such jobs as necessary to qualify for the job credits, the Seller shall allow an additional one (1) year to create the jobs necessary for application of full job credits, and delay the action, if any, defined in paragraph 17 to the first day of the 36th month after the date of closing this agreement

4. Closing. This agreement shall be closed at the Abstract and Title Company, 1430 Washington Ave., La Grande Oregon 97850. ~~Buyer will pay the closing fees.~~ Seller will pay up to $ 300 on closing

5. Preliminary Title Report. Within thirty (30) days after the date of this agreement, the Seller will furnish to the Buyer a Preliminary Title Report showing the condition of title to the property.

6. Conditions. The closing of this Agreement is conditioned upon Buyer's approval of the Preliminary Title Report within fifteen. (15) days after the same has been furnished to the Buyer.

7. Deed. At closing, Seller shall execute and deliver to Buyer a Statutory Warranty Deed conveying the property to the Buyer subject to easements, conditions and restrictions of record and subject to a lien on the property in the amount of thirty nine thousand five hundred ($39,500.00) dollars as security for the potential credits as described in paragraph 3.2 above.

8. Title Insurance. Within thirty 30 days after closing, insurance, insuring Buyer with an owner's policy of title insurance, insuring Buyer against loss or damage sustained by it by reason of the un-marketability of its title, or encumbrances thereon, other than the exceptions contained in such policies shall be issued. Buyer shall pay for said insurance.

9. Taxes. Real Property taxes for the current tax year shall be prorated upon closing.

10. Possession. Buyer shall be entitled to possession immediately upon closing.

11. Seller's Representations. Seller makes the following representations:

11.1 Seller has no notice of any liens to be assessed against the property except as in paragraph 7 above; and

11.2 Seller has no notice from any governmental agency of any violation of law relating to the Property.

12. Binding Effect/Assignment Restricted. This Agreement is binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives and assigns. However, it shall not bind and inure to the benefit of the buyers, assigns, heirs or legal representatives unless the seller has expressly consented in writing to an assignment.

13. Remedies. Time is of the essence of this Agreement. If this Agreement does not close, through no fault of Seller, prior to the close of business on the closing deadline specified in paragraph 6 above, Buyer shall forfeit the earnest money to Seller as liquidated damages. If Seller cannot furnish marketable title at closing or otherwise fail to consummate this transaction, the earnest money shall be refunded to Buyer.

14. Attorney fees. In the event action is instituted to enforce any term of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the Trial Court and, in the event of an appeal, as set by the Appellate Courts.

15. Option to Repurchase. The Buyer shall grant to the Seller an option to repurchase any of the said Property which remains undeveloped after three years of the closing date of this agreement, for the sum of one hundred and twenty-five dollars ($125.00) per acre.

16. Security Lien and Mortgage. Upon closing of this agreement, the Seller shall place a lien upon the property, secured by a second mortgage and a promissory note from the Buyer in the amount of $39,500.00, the lien shall remain until the full value of the jobs credits given by the Seller to the Buyer and the principal payments made to the Seller by the Buyer equal a total of $40,000.00.

17. Mortgage Payments. Beginning on the first day of the 25th month after the closing date of this agreement, the Buyer shall make monthly interest and principal payments to the Seller on any balance that remains payable to the Seller as defined in paragraph 3.3 above. The minimum payment shall be as established by calculating the amount of 120 equal monthly payments of principal and interest, with interest calculated on the outstanding balance at the rate of 8.0 % per year.

SELLER: CITY OF ELGIN

BY: _____
Berta Churchill, Mayor

BUYER: JEFF SMITH, dba OMNICUT

BY: _____
Jeff Smith